

Trying to balance credit problems? Here are some answers to your problems .

Who do I contact regarding maximum rates and delinquency charges?

The Department of Financial Institutions. They enforce the Indiana Uniform Consumer Credit Code which regulates maximum rates for interest, delinquency and deferral charges; allowable additional charges; credit insurance; and debtor's remedies of Indiana credit. The Code regulates credit sellers and licensed lenders.

Who regulates required disclosures?

The Federal Trade Commission regulates the Truth in Lending Act. This act gives you the right to be given details, before you sign a contract or loan agreement, on exactly how much the credit is going to cost, what the payments will be, and when they are due.

How do I resolve billing errors?

The Fair Credit Billing Act establishes procedures for resolving billing errors on your credit card. See our brochure on Fair Credit Billing.

What do I do if a creditor is harassing me?

There are no state or federal statutes governing the collection practices of a creditor. You may wish to report a collector's activities to a supervisor. Many creditors do not know how abusive some collectors can be.

What do I do if a collection agency is harassing me?

The Fair Debt Collection Practices Act prohibits debt collectors from using unfair or deceptive practices to collect overdue bills that your creditor has forwarded for collection. The act only pertains to third party debt collectors, not to the creditor. See brochure on Debt Collection.

What obligations do I have as a cosigner?

The Federal Credit Practices Rule requires creditors to advise consumers who cosign obligations about their potential liability if the other person fails to pay; prohibits creditors from using certain contract provisions that may be unfair to consumers; and prohibits the pyramiding of late charges. See our brochure on Co-Signing a Loan.

What do I do if there is an error on my credit report?

The Fair Credit Reporting Act gives consumers the right to know what specific information credit bureaus provide to potential creditors, employers, renters, and insurers. If credit is denied on the basis of information in a credit report, the applicant has to be told the name, address, and telephone number of the credit bureau providing the information; the consumer can then request a free copy of the credit report. See our brochure on How to Dispute Credit Report Errors.

Where do I turn if I believe I have been discriminated against on a home loan?

The Fair Housing Act makes it illegal for any lender to discriminate in housing-related lending because of race, color, religion, national origin, sex, handicap, or family status. These protections apply to the applicant, anyone associated with the applicant, and anyone who might occupy the home.

What are my rights if I was denied credit because of my age?

The Equal Credit Opportunity Act applies to all types of lending and prohibits discrimination on the basis of sex, race, color, religion, national origin, marital status, age, or receipt of public assistance. See our brochure on Equal Credit Opportunity.

Can I cancel a credit transaction?

Unless your credit transaction is a refinance or a second mortgage on your dwelling, in relation to a sale made in your home, or a health spa contract, there are no periods that the credit transactions can be cancelled. The contract is binding once it has been signed in all

but the above instances. In those instances, you have three business days to rescind the credit transaction.

What should I do if I can't make a payment?

You should let your creditor know immediately if some unexpected problem arises that makes you think you might be late with a payment. Most creditors will try to work something out if you have a good reason. If you miss a payment, the creditor may repossess any property that secures the transaction or begin foreclosure if the loan is secured by an interest in land. Remember you do not own a secured item until the last payment is made.

How do I know if I'm in financial trouble?

If you answer **yes** to any of the following questions, you should act.

- ◆ *Do you routinely spend more than you earn?*
- ◆ *Are you making day-to-day purchases on credit?*
- ◆ *Are you able to only make minimum payments on your monthly credit card debts?*
- ◆ *If you lost your job, would you have difficulty paying next month's bills?*

What can I do!

Contact your creditors. Let them know you are having difficulty making your payments. Try to work out an acceptable payment schedule.

Budget your expenses. Create a spending plan that allows you to reduce your debts.

Try to reduce your expenses. Cut out any unnecessary spending. Above all, stop incurring new debt!

Personal Bankruptcy , a decision to file for bankruptcy is a serious step; a last resort to deal with financial problems.



The Indiana Department of Financial Institutions, Division of Consumer Credit has many other credit related brochures available, such as:

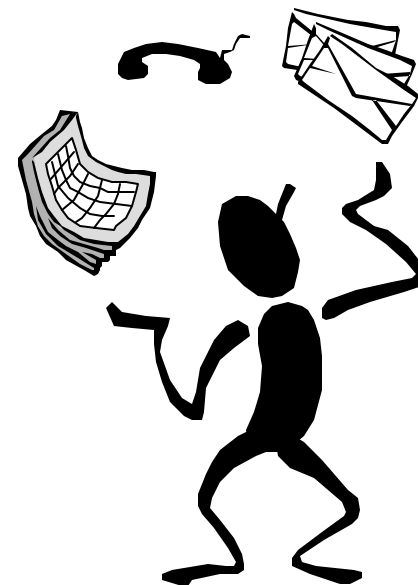
Answers to Credit Problems
Applying for Credit
At Home Shopping Rights
Bankruptcy Facts
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Car Financing Scams
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Choosing A Credit Card
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Indiana Uniform Consumer Credit Code
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Using Credit Cards
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What is the DFI?

Call our toll-free number or write to the address on the cover for a copy of any of the brochures listed or for further consumer credit information.



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ANSWERS TO CREDIT PROBLEMS



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